Report
On
Financial & Regulatory Institutions

BankIslami

Submitted to

MR. ANIL SAEED

Submitted By – Group 4

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We are great full to **Hazrat Muhammad (S.A.W.W)** who remains an example in every aspect of life

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We are also thankful to all of our respondents especially Muhammad Saleem Abid –Hub Manager Bank Islami who co-operated with us. We are especially thankful to our class fellows who help us from every aspect.

BRIEF INTRODUCTION

BankIslami Pakistan Limited ("BankIslami") is located in Karachi, Sindh, Pakistan. BankIslami Pakistan received an Islamic commercial banking license from State Bank of Pakistan on March 31, 2005. It is the first financial institution in Pakistan that is going to focus on Wealth Management as the core area of business. It intend to offer retail banking products, proprietary and third party product, and integrated financial planning services. The Bank is expected to start its operations in the last quarter of year 2005.

Type	Private
Founded	Karachi
Headquarters	Principal Office, KarachiPakistan
Industry	IslamicBanking Capital Markets
Products	Consumer Banking, Investment Banking, Trade Financing etc.
Revenue	▲PKR 602.06 Million - 2007[1]
Net income	▼PKR 37.02 Million - 2007[1]
Employees	563 as on 31 Dec, 2007 [1]

BANKISLAMI THE IDEA :

The epochal idea of BankIslami was conceptualized by Jahangir Siddiqui & Company Limited and DCD Group in late 2003. Mr. Hasan A. Bilgrami was appointed as Adviser to the sponsors on March 16, 2004 to formalize the idea. He presented the concept paper of BankIslami to sponsors on March 24, 2004. A detailed business plan was then prepared and a formal application was submitted to the State Bank of Pakistan on May 26, 2004. On September 26, 2005, Dubai Bank joined the Sponsors and became one of the founding shareholders of BankIslami by investing 18.75% in the total Capital.

ACCREDITATION BY STATE BANK OF PAKSTAN:

The State Bank of Pakistan issued a No Objection Certificate in no time on August 19, 2004 and BankIslami Pakistan Limited, the second full-fledge Islamic Commercial Bank in Pakistan, was incorporated on October 18, 2004 in Pakistan

BankIslami Pakistan Limited was the first Bank to receive the Islamic Banking license under the Islamic Banking policy of 2003 on March 31, 2005. The Bank envisioned to focus primarily on Wealth Management as the core area of business in addition to Shariah compliant Retail Banking

products, Proprietary and Third party products, and Integrated financial planning services.

INITIAL PUBLIC OFFERING OF BANKISLAMI:

BankIslami Pakistan Limited made a public offering of Rs. 400 Million, at par, from 6th to 8th March. This was the first primary issue by a Bank in over a decade in Pakistan. The Initial public offering (IPO) of BankIslami received overwhelming response from the general public as the applications received were 9 times higher than offered, fetching nearly Rs. 3.5 Billion, against the demand of Rs. 400 Million.

INAUGURATION AND NETWORK EXPANSION:

The State Bank of Pakistan declared BankIslami Pakistan Limited as a Scheduled Bank with effect from March 17, 2006. BankIslami started its Banking operations on 7th April 2006 with its first branch in SITE, Karachi. By the end of 2006, the Bank had 10 branches, nine in Karachi and one in Quetta. The Bank further concentrated in building a nationwide network and by the end of year 2007, its branch network grew to 36 branches in 23 cities. In 2008, the Bank opened 66 new branches nationwide which expanded its network to 102 branches in 49 cites. This gives BankIslami the distinction of having the fastest expanding network in Pakistan as well as offering the widest network by any Islamic Bank in Pakistan.

MILESTONES

24 March 2004	Concept paper of Islamic Bank presented to Sponsors; JS Group and DCD Group
26 May 2004	Application for the license of an Islamic Bank was submitted to SBP
19 August 2004	BankIslami received the No Objection Certificate from SBP
18 October 2004	BankIslami became a legal entity after SECP granted it an incorporation certificate
7 April 2006	BankIslami became the First bank in Pakistan & Asia and the Second Bank in the World to install BIOMETRIC ATM
7 April 2006	BankIslami became the First bank in Pakistan to launch Internet banking from start of operations
28 April 2006	BankIslami's second and third branch opened simultaneously in Clifton and Korangi Industrial Area in Karachi
9 June 2006	The Fourth branch of BankIslami located on 26th Street of Phase V, D.H.A opened its doors for customers
7 July 2006	The official inauguration of BankIslami was conducted at the Governor House, Sindh
14 July 2006	BankIslami's Shaheed -e- Millat branch located at Adam Arcade, BMCHS, Shaheed-e-Millat Road, Karachi starts operations
31 August 2006	State Bank's Director of Islamic Banking, Mr. Pervez Said inaugurated the induction ceremony of the first Trainee Officers batch of BankIslami
4 September 2006	Phone Banking services were launched by BankIslami
8 September 2006	Sixth branch of BankIslami opened on Rashid Minhas Road, Karachi
8 December 2006	BankIslami's North Nazimabad branch started operations. It was the 7th branch opened by the Bank
15 December	BankIslami formally inaugurated its eighth branch located in Gulshan-e-

2006	Maymar
22 December 2006	BankIslami went nationwide with the opening of its 9th branch on Jinnah Road, Quetta. This was BankIslami's first branch outside Karachi
29 December 2006	BankIslami opened its 10th Branch in Baqai Medical University, Karachi
29 August 2008	BankIslami's Response to Fatwa against Islamic Banking. (Download)
27 August 2008	BankIslami posted an operating profit of Rs. 19.210mn in 2nd quarter of 2008
27 August 2008	BankIslami announces right issue of 23.36% subject to SECP approval.
12 September 2008	38th branch of BankIslami opens on UP More Road, Karachi
26 September 2008	BankIslami opens branches at Kotli, Islamgarh and Sharea-e-Faisal Road, Karachi.
17 October 2008	BankIslami opens its sub branch in Shadman Town No.1, North Nazimabad Karachi.
18 October 2008	Sub Branch of BankIslami opens in Khyber Bazar, Peshawar
31 October 2008	BankIslami opened its 50th Branch today. It has been the fastest growth by any Bank in Pakistan.
31 October 2008	BankIslami opens seven new branches nationwide.
November 1 2008	Bankisłami crosses 50 branches mark by opening its branch at Nazimabad Block A Karachi.
November 30 2008	BankIslami opens ten Online branches this month.
December 5 2008	BankIslami signs strategic cooperation with Pak Qatar Takaful Company for Takaful cover to BankIslami Auto Ijarah customers.
December 31 2008	BankIslami ceates history by becoming the first bank to open 100 plus branches in less than three years and with this complete its yearly expansion plan of reaching to 102 Online branches in 49 cities nationwide.
March 31 2009	BankIslami witnesses phenomenal increase of 32% in Deposits and 39% increase in Customer base over the same period last year.

Our Guiding Principles

Mission, Vision & Values

VISION

The Vision of BankIslami is to be recognized as the leading Authentic Islamic Bank.

MISSION

The Mission of BankIslami is to create value for our stakeholders by offering Authentic, Shariah Compliant and technologically advanced product and services. We differentiate ourselves through:

- Authenticity
- Innovation
- Understanding our client's needs
- Commitment to excellence, and
- Fast, efficient and seamless delivery of solution. As a growing institution, the foundation for our performance lies on our human capital and BankIslami remains committed to becoming an employer of choice, attracting, nurturing and developing talent in a transparent and performance driven culture.

CORE VALUES:

BankIslami is strongly committed towards its core values of:

- Product authenticity

- Customer focus
- Meritocracy
- Integrity
- Team work
- Humility
- Innovation

FINANCIAL HIGHLIGHTS

Amounts in Rs. Million (otherwise specified)	**Mar 07**	**Jun 07**	**Sept 07**	**Dec 07**	**Mar 08**	**jun 08**	**Sept 08**	**Dec 08**	**Mar 09**
Total Deposits	2,717	4,196	6,246	9,934	9,806	11,353	11,242	12,478	16514
Total Assets	6,268	7,824	9,985	14,447	14,827	16,581	17,231	19,089	22935
Total Financing	1,470	2,188	3,486	3,963	4,592	5,387	6,827	6,528	6704
Total Investments	399	645	1,920	3,864	4,155	3,841	5,018	5,020	7089
Asset to Deposit Ratio	54%	52%	56%	40%	47%	47.45	60.73	52	29
Return on Assets	-0.30%	-0.48%	-0.36%	-0.26%	-0.50%	-0.06	0.04	-0.28	-0.37
Return on Equity	-0.59%	-1.17%	-1.14%	-0.96%	-1.81%	-0.23	0.15	-1.02	-1.65
Earnings Per share (Rs.)	-0.09	-0.13	-0.14	-0.13	-0.08	-0.02	0.02	-0.12	-0.16
No. of Employees	300	413	471	563	708	723	825	1,188	1430
No. of Branches	10	14	16	36	36	36	40	102	102

Shariah Supervisory Board

Shariah Compliance Guaranteed

The Shariah Board of BankIslami consists of three renowned and distinguished Shariah scholars namely Justice (R) Mufti Muhammad Taqi Usmani, Prof. Dr. Fazlur Rahman and Mufti Irshad Ahmad Aijaz. Mufti Irshad Ahmad is also the Shariah Adviser of the Bank who works full-time with the management and guides them in issues pertaining to the Shariah. Please click on the following names to view the details of our Shariah Board members:

- Justice (R) Muhammad Taqi Usmani
- Professor Dr. Fazlur Rahman
- Mufti Irshad Ahmad Aijaz

Credit Rating

Assessment of PACRA

BankIslami, capitalizing on its expanded outreach, experienced substantial growth in finances in 2008. This enabled BankIslami to register a significant increase in its net interest revenue. Other operating income witnessed an upsurge on account of higher fee and commission. Meanwhile, there was a sizeable increase in personnel and other expenses, owing to the ongoing network expansion. Moreover, BankIslami made a net provision of PKR 130mln, due to sizeable increase in the classified portfolio. This resulted in

doubling the pre-tax loss of the bank. The performance trend remained the same in 1Q09 with a slight addition in NPLs.

Going forward, BankIslami intends to leverage its expanded outreach to enhance both its deposit base and finances portfolio. Although the bank has plans to penetrate the retail segment, no significant lending is expected over the near-term, owing to currently weak credit environment. BankIslami would continue with its recent strategy of focusing the corporate segment, though cautiously here as well. The bank, with a view to reduce its cost of funds, plans to focus more on demand deposits. BankIslami, to augment further its retail franchise, has entered into agreements with different organizations to launch new products and services. Meanwhile, BankIslami, with surplus liquidity and support of strong sponsors, eyes acquisition of banks as a strategy to achieve sizeable growth. These initiatives exhibit clarity of direction but the extent to which they materialize remains to be seen.

BankIslami's core banking software is iMal, developed by Path Solutions, a software house in the Middle East. Based on Shariah stipulations and compliant with Basel II, iMal provides an integrated solution for all operational requirements. The implementation of the software is to be completed by end-09.

The target is to take consumer financing, over the medium term, upto 10%-15% of the total advances. With expansion in outreach, the bank intends to rationalize its deposit mix by substituting a portion of term deposits with current deposits. Nevertheless, deployment of excess liquidity would remain a challenge in the absence of an active Shariah compliant money market. Earnings from investment banking business are expected to grow significantly. The deal pipeline is currently healthy. Meanwhile, BIPL plans to lay down requisite infrastructure for offering wealth management services, going forward.

BankIslami, due to initial stage of operations, maintains ample liquidity and has a very low deposit concentration, which clearly stands out among close peers. The bank's investment portfolio is modest in size (end-08: PKR 207mln) – mainly dominated by strategic investment (PKR 191mln). The bank recently expanded its exposure to the sukuk market. There is a revaluation surplus, though slight, available on this investment (PKR 16 mln).

Corporate Profile

Board of Directors	
Chief Justice (Retd.) Mahboob Ahmed	Chairman
Mr. Ahmed Goolam Mahomed Randeree	
Mr. Ahmed Mohammed El Shall	
Mr. Ali Raza Siddiqui	
Mr. Hasan A. Bilgrami	Chief Executive Officer
Mr. Mohamed Amiri*	
Mr. Shabir Ahmed Randeree	

Sharia'h Supervisory Board	
Justice (Retd.) Muhammad Taqi Usmani	Chairman
Professor Dr. Fazlur Rahman	Member
Mufti Irshad Ahmad Aijaz	Member & Sharia'h Adviser

Audit Committee	
Mr. Ahmed Mohammed El Shall	Chairman
Mr. Ali Raza Siddiqui	Member
Mr. Shabir Ahmed Randeree	Member

Executive Committee	
Chief Justice (Retd.) Mahboob Ahmed	Chairman
Mr. Ahmed Goolam Mahomed Randeree	Member
Mr. Ahmed Mohammed El Shall	Member
Mr. Hasan A. Bilgrami	Member

Human Resource & Compensation Committee	
Mr. Ali Raza Siddiqui	Chairman
Mr. Ahmed Goolam Mahomed Randeree	Member
Mr. Ahmed Mohammed El Shall	Member
Mr. Hasan A. Bilgrami	Member

Company Secretary
Mr. Syed Shah Sajid Hussain

Auditors
Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Legal Adviser
Haidermota & Co.
Barrister at Law

Management (in alphabetical order)	
Mr. Adnan Hamid Ali	Head, Administration and General Service
Mr. Arsalan Vohra	Head, Risk Policy & Analytics
Mr. Asad Alim	Head, Information Systems
Mr. Faisal Shaikh	Head, Product Development
Mr. Farooq Anwar	Head, Operations
Mr. Hasan A. Bilgrami	Chief Executive Officer
Mr. Khawaja Ehrar ul Hassan	Head, Compliance
Mr. Muhammad Furqan	Head, Credit Administration
Mr. Muhammad Imran	Head, Consumer & Retail Banking
Mr. Muhammad Shoaib Khan	Head, Treasury & Financial Institutions
Mr. Rehan Shuja Zaidi	Head, Internal Audit
Mr. Shamshad Ahmed	Head, Trade Finance
Ms. Sheba Matin Khan	Head, Human Resources
Mr. Syed Akhtar Ausaf	Head, Risk Management
Mr. Syed Mujtaba H. Kazmi	Head, Corporate Finance
Mr. Syed Shah Sajid Hussain	Head, Finance

Sponsors:

BankIslami is a joint venture among three financially sound and progressive shareholders, namely, DCD Group, Dubai Bank and Jahangir Siddiqui & Co. Ltd. Please click on the following for details of our Sponsors:

- DCD Group
- Dubai Bank
- Jahangir Siddiqui & Co. Ltd.

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SHARE HOLDING PATTERN

Shareholding	Rs. (Million)	%
Founding Sponsors		
Dubai Bank PJSC	1,310.53	24.82
Jahangir Siddiqui & Co. Ltd	1,112.56	21.07
DCD Group	1,028.48	19.47
Mr. Hasan A Bilgrami	5.81	0.11
Chief Justice(R) Mahboob Ahmed	1.31	0.02
Total	**3,459**	**65.50**
General Public*	1,821	34.49
Grand Total	**5,280**	**100**

* The initial public offering of BankIslami took place in March 2006. BankIslami shares were formally listed on the Karachi Stock Exchange on April 17, 2006.

On October 31, 2006, the Board of Directors of BankIslami decided to further issue capital of Rs. 1.2 Billion through a right share issue of 60% at par i.e. Rs.10 each to existing shareholders.

On August 23, 2007, the Board of Directors of the Bank decided to raise the paid up capital of the Bank to Rs. 4.2 billion through a right issue of 31.25% at par i.e Rs.10 each to existing shareholders.

On March 31, 2008, BankIslami issued an additional Rs. 80 Million shares to general public.

On August 27, 2008, the Board of Directors of the Bank decided to raise the paid up capital of the Bank to Rs. 5.2 billion through a right issue of 23.366% at par i.e Rs.10 each to existing shareholders

CONSUMER BANKING

- MUSKUN Home Financing
- Islami Auto Ijarah-New Vehicle
- Islami Auto Ijarah-Used/Imported Vehicle

MUSKUN HOME FINANCING

The MUSKUN Home financing facility is based on the principle of Diminishing Musharakah and Ijarah. The Diminishing Musharakah transaction is based on Shirkat-ul-Milk where you and the Bank participate in ownership of a property. The share of the bank is then leased to you on the basis of Ijarah and is divided into a number of units. It is then agreed that you will buy the units of the bank periodically, thereby increasing your own share till all the units of the Bank are purchased by you which will make you the sole owner of the property. Till that time, you pay the Bank rent for its units leased to you. The rent keeps on decreasing as your ownership in the property increases and that of the Bank decreases.

- **Home Purchase**
- **Home Construction**
- **Home Renovation:**
- **Home Replacement**

BENEFITS:

- Quick Processing
- Financing up to 50% of the value of the property
- Financing limit Rs. 10 Million
- Tenor up to 20 years
- No pre payment additional price charged after one year
- Flexible & Affordable installments with Sahulat payment schedule
- Clubbing of family income
- No Negative Area

ISLAMI AUTO IJARAH-NEW VEHICLE

BankIslami's Auto Ijarah facility is based on the concept of Ijarah. It is a Shariah compliant alternative to Conventional leasing where Bank acts as a Lessor and you act as a Lessee. The Bank requires you to pay a monthly rent for the use of the Vehicle. In this while, the ownership of the vehicle remains with the Bank, only the rights of use is transferred to you. At the end of the Ijarah Agreement, you will be given a choice whether to return the vehicle to the Bank and receive back the security deposit paid by you at the beginning* or to purchase it at a price as low as the security deposit.

Ijarah facility for	*New Vehicles*
Tenure of Ijarah	*Min- 3 Years, Max-5 years*
Minimum Cost of Vehicle	*Rs. 250,000*
Security Deposit	*Min -30%, Max-50%*
Processing Charges	*Rs. 4,500/- (Rs. 1,000 Pre Processing is part of the Rs. 4,500/- Amount)*
Tracker Installation	*All Vehicles costing above Rs. 600,000 are required to be installed with tracker*
Takaful	*Takaful coverage on all vehicles is compulsory and is provided by Takaful Pakistan*

RETAIL BANKING

- Islami Current Account
- Islami Foreign Currency Account
- Islami Bachat Account

- Islami Dollar Bachat Account
- Islami Mahana Munafa Account
- Islami Amadni Certificate

ISLAMI CURRENT ACCOUNT

With our Islami Current Account, you can have complete peace of mind that your funds are safe and utilized in Halal avenues only. Islami Current Account is ideal for customers who have frequent transaction needs and require unlimited access to their account to meet their personal or business expenses. Also, you have access to our entire online network of 50 Branches in 27 Cities for convenience of instant and secure intercity transactions. So enjoy full control over your funds in a Shariah compliant manner.

The Islami Current Account offers you the following Key salient features:

- 100% interest free
- A minimum balance of Rs. 1,000/- only to open the account
- Joint Account facility up to four joint account holders
- Access to the entire on line network of 50 Branches in 27 Cities
- Free unlimited online intercity transactions
- Free 1 Card, BankIslami's ATM & Debit card
- Access to all ATMs linked to MNET and 1 Link throughout Pakistan
- InterBank Funds transfer facility through ATM
- Facility of making instant payments at Orix terminals for grocery, fuel ,dining and other purchases
- Free Internet Banking service
- Round the clock phone Banking through 111-ISLAMI (475-264) or

111-BIP (247)-111

- Personalized service from Customer Relationship Officers
- Free Account statement facility
- Hold mail and Stop payment facility
- Safe deposit lockers (subject to availability)

ISLAMI MAHANA MUNAFA ACCOUNT

Long term investments yield high returns but delayed profit payment. With our Islami Mahana Munafa Account you don't compromise on any. Now you can enjoy the freedom of halal monthly gains for a prosperous present while building your wealth for a secure future. Also, Islami Mahana Munafa Account will provide you with security, convenience and flexibility of investment tenure to suit your needs.

The Islami Mahana Munafa Account offers you the following Key salient features:

- Available in Pak Rupees
- Tenure of investment are 1, 2, 3, 5 & 10 years
- Minimum amount of investment is Rs. 10,000/- only
- Profit/loss payment on monthly basis until the maturity date
- Payment of amount of investment on the maturity date
- Differential and specific pool allocation possible for large deposit holders
- Profit announcement at the end of every month
- Facility of premature encashment available. In such a case, the corresponding period rate would apply, unless stated otherwise
- Free facility of transfer of profit and invested funds in nominated Islami Current or Islami Bachat Account
- Monthly profit/loss payment on daily product basis
- Round the clock phone Banking through 111-ISLAMI (475-264) or 111-BIP (247)-111
- Personalized service from Customer Relationship Officers
- Free Six monthly Account Statement facility

INVESTMENT BANKING

The external and internal market conditions have had a major impact in certain sectors of the economy, yet their impact lies short term only. The overall market share of the Investment Banking activities has remained robust and intact. The Bounce Factors in the equity markets is seeing improvements which are likely to see activity in IPO offerings and mushrooming of Mutual Funds

A good pipeline of Capital raising opportunities exists, particularly in Infrastructure, Textile and Services industry. Amiable investment opportunities for the medium term may provide leverage into credit and marketing activities

BankIslami Pakistan Limited takes deep pride in providing Investment Banking to its valued customers, as its core business, revolving around the concept of Wealth Management.

Products & Services

BankIslami's Investment Banking Division offers a full range of the comprehensive, innovative and uniquely structured customer centric advisory solutions to its clients. After categorizing the products and services of low, medium and high risk the product is structured on the guidelines of Shariah.

Following are the products and services:

Advisory

- Fund Raising
- Corporate Restructuring
- Mergers & Acquisitions
- Infrastructure Development
- Project Financing

Trusteeship

- Trusteeship for SUKUKs etc
- Fiduciary Roles in Mutual Funds

Specialized Roles

- Private Equity
- Special Projects
- Ijarah and Musharkah

Syndications

Structuring

- Securitizations
- Distressed Assets Sales
- Structured Finance
- Initial Public Offerings

Underwriting

- SUKUKs'
- Equity
- Musharakah Certificates

Corporate Banking

- Account Services
- Trade Services
- Working Capital Finance
- Project Finance
- Musharakah Financing
- Mudarabah Financing

Value Added Services

- Online Banking
- Inter Bank Fund Transfer
- Internet Banking
- ATM/Debit Card
- Biometric ATM
- 24/7 Phone Banking

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CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2009 (UNAUDITED)

	September 30, 2009	September 30, 2008
	---- Rupees in `000 ---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(430,322)	3,882
Less: Dividend income	-	(1,812)
	(430,322)	2,070
Adjustments:		
Depreciation	231,501	106,469
Amortization of intangible asset	5,185	3,929
Depreciation on operating Ijarah	23,546	-
Provision against non-performing financings	73,309	866
Gain on revaluation of investments (classified as held-for-trading)	-	-
Provision against investment and lending to F/i	21,418	-
Loss / (gain) on sale of fixed assets	(192)	(45)
Deferred cost amortized	12,062	12,060
	366,829	123,279
	(63,493)	125,349
(Increase) / decrease in operating assets		
Due from financial institutions	(270,312)	360,037
Held-for-trading securities	-	-
Financings	(817,031)	(2,865,287)
Others assets (excluding advance taxation and deferred cost)	(554,738)	(233,692)
	(1,642,081)	(2,738,942)
Increase / (decrease) in operating liabilities		
Bills payable	50,875	252,686
Repayments / Borrowings from financial institutions	(151,449)	625,696
Deposits and other accounts	10,382,951	1,307,298
Other liabilities	91,848	193,900
	10,374,225	2,379,580
	8,668,651	(234,013)
Income tax paid	(5,105)	(5,203)
Net cash generated / (used in) from operating activities	8,663,546	(239,216)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in available-for-sale securities-net	(2,090,013)	(1,155,410)
Dividend income received	-	1,812
Investments in operating fixed assets	(473,498)	(556,225)
Sale proceeds of property and equipment disposed-off	2,502	2,907
Net cash used in from investing activities	(2,561,009)	(1,706,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	398,270
Net cash flow from financing activities	-	398,270
Net increase / (decrease) in cash and cash equivalents	6,102,537	(1,547,862)
Cash and cash equivalents at beginning of the period	4,382,903	4,010,657
Cash and cash equivalents at end of the period	10,485,440	2,462,795

The annexed notes from 1 to 15 form an integral part of these financial statements.

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30,2009 (UNAUDITED)

	Note	Quarter ended Sept 30, 2009	Nine months ended Sept 30, 2009	Quarter ended Sept 30, 2008	Nine months ended Sept 30, 2008
		----------- Rupees in ` 000 -----------			
Profit / return on financings, investments and placements earned	11	**514,855**	**1,566,511**	419,451	1,032,371
Return on deposits and other dues expensed		**316,788**	**837,509**	190,940	514,971
Net spread earned		**198,067**	**729,002**	228,511	517,400
Provision against non-performing loans and advances		**5,514**	**73,309**	(10,677)	866
Provision against investments and lending to F/i		**21,418**	**21,418**	-	-
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		-	-	-	-
		26,932	**94,727**	(10,677)	866
Net spread after provisions		**171,135**	**634,275**	239,188	516,534
OTHER INCOME					
Fee, commission and brokerage income		**12,088**	**24,941**	16,485	97,463
Dividend income		-	-	-	1,812
Income from dealing in foreign currencies		**124,915**	**188,059**	8,569	23,120
Capital gain on sale of securities		-	-	4,238	31,273
Unrealized gain/loss on revaluation of investments classified as held-for-trading		-	-	(62)	-
Other income		**5,871**	**18,516**	5,111	13,861
Total other income		**142,874**	**231,516**	34,341	167,529
		314,009	**865,791**	273,529	684,063
OTHER EXPENSES					
Administrative expenses		**442,217**	**1,262,937**	252,458	664,622
Other provisions / write-offs		-	-	-	-
Other charges		**4,928**	**33,176**	4,661	15,559
Total other expenses		**447,145**	**1,296,113**	257,119	680,181
		(133,136)	**(430,322)**	16,410	3,882
Extraordinary / unusual items		-	-	-	-
(LOSS)/ PROFIT BEFORE TAXATION		**(133,136)**	**(430,322)**	16,410	3,882
TAXATION					
Current		-	-	-	9,643
Prior years		-	-	-	-
Deferred		**944**	**(32,940)**	272	(11,982)
		944	**(32,940)**	272	(2,339)
(LOSS) / PROFIT AFTER TAXATION		**(134,080)**	**(397,382)**	16,138	6,221
Accumulated loss brought forward		**(361,609)**	**(98,307)**	(55,294)	(45,377)
Transferred to Statutory Reserve		-	-	(1,244)	(1,244)
		(361,609)	**(98,307)**	(56,538)	(46,621)
Accumulated loss carried forward		**(495,689)**	**(495,689)**	(40,400)	(40,400)
Basic and diluted earnings per share (Rupees)		**(0.254)**	**(0.753)**	0.038	0.015

The annexed notes from 1 to 15 form an integral part of these financial statements.

INTERIM CONDENSED BALANCE SHEET

AS AT SEPTEMBER 30, 2009

	Note	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
		--- Rupees in `000 ---	
ASSETS			
Cash and balances with treasury banks		**2,950,800**	2,175,413
Balances with other banks		**7,534,640**	2,207,490
Due from financial institutions		**304,245**	40,351
Investments	5	**7,138,093**	5,019,525
Financings	6	**7,247,707**	6,527,531
Operating fixed assets		**2,145,150**	1,910,648
Deferred tax assets		**283,437**	265,257
Other assets		**1,490,167**	942,385
		29,094,239	19,088,600
LIABILITIES			
Bills payable		**404,521**	353,646
Due to financial institutions		**94,490**	245,939
Deposits and other accounts	7	**22,860,906**	12,477,955
Sub-ordinated loans		**-**	-
Liabilities against assets subject to finance lease		**-**	-
Deferred tax liabilities		**-**	-
Other liabilities		**911,088**	819,239
		24,271,005	13,896,779
NET ASSETS		**4,823,234**	5,191,821
REPRESENTED BY			
Share capital	8	**5,279,679**	5,279,679
Reserves		**-**	-
Accumulated loss		**(495,689)**	(98,307)
		4,783,990	5,181,372
Right Shares Subscribed not yet issued		**-**	-
Surplus on revaluation of assets - net of tax	9	**39,244**	10,449
		4,823,234	5,191,821

CONTINGENCIES AND COMMITMENTS 10

The annexed notes from 1 to 15 form an integral part of these financial statements.

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